

Atikokan General Hospital
Financial Statements
March 31, 2021

Atikokan General Hospital
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For the year ended March 31, 2021

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Management's Responsibility for Financial Reporting

To the Board of Directors of Atikokan General Hospital:

The accompanying financial statements of the Atikokan General Hospital and all the information provided in the annual report are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems appropriate in the circumstances, in order to ensure their financial statements are presented fairly, in all material respects.

The Hospital maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Hospital's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board of Directors review the Hospital's financial statements and recommend their approval. The Board of Directors meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Board of Directors takes this information into consideration when approving the financial statements for issuance to the members. The Board of Directors also considers the engagement of the external auditors.

The financial statements have been audited by MNP LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. MNP LLP has full access to the Board of Directors.


Board Chair


Chief Executive Officer

Independent Auditor's Report

To the Board of Directors of Atikokan General Hospital:

Opinion

We have audited the financial statements of Atikokan General Hospital (the "Hospital"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets, remeasurement gains and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2021, and the results of its operations, its remeasurement gains and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Hospital in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Correction of an error

As described in Note 20 of the financial statements, it was determined that the amount payable to the Ministry of Health was overstated by \$79,492 in the March 31, 2021 financial statements with an original audit report date of June 23, 2021. The previously issued financial statements were recalled and are hereby being reissued to reflect this error.

Other Matter

The supplementary information contained in the schedules is presented for the purpose of additional analysis and is not part of the basic audited financial statements. The information in the schedules was derived from the accounting records tested in forming an opinion on the financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Hospital to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Thunder Bay, Ontario

August 25, 2021

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

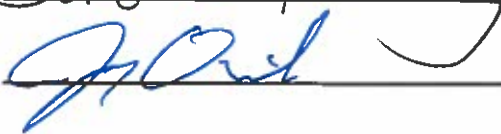
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**Atikokan General Hospital
Statement of Financial Position**

As at March 31,	2021	2020
Current Assets		
Cash (Note 2)	\$ 972,984	\$ 343,505
Short-Term Investments (Note 3)	1,214,633	1,314,154
Accounts Receivable (Note 4)	1,172,596	592,046
Inventories (Note 5)	160,961	169,449
Prepaid Expenses	250,066	294,529
Total Current Assets	3,771,240	2,713,683
Non-Current Assets		
Long-Term Investments (Note 6)	244,192	711,255
Capital Assets (Note 7)	15,279,933	15,522,048
Total Non-Current Assets	15,524,125	16,233,303
Total Assets	\$ 19,295,365	\$ 18,946,986
Current Liabilities		
Bank Loans (Note 2)	\$ -	\$ 330,000
Accounts Payable (Note 8)	1,557,190	1,507,980
Other Liabilities	20,000	4,905
Total Current Liabilities	1,577,190	1,842,885
Long-Term Liabilities		
Capital Reserve Deferred Revenue	30,642	29,842
Deferred Contributions (Note 9)	1,103,591	1,103,591
Deferred Capital Contributions (Note 10)	13,057,089	12,767,243
Post-Employment Benefits Liability (Note 13)	858,100	863,900
Total Long-Term Liabilities	15,049,422	14,764,576
Contingent Liabilities and Commitments (Note 11)		
Net Assets		
Invested in Capital Assets (Note 14)	2,222,844	2,754,805
Unrestricted	343,844	(465,264)
Accumulated Remeasurement Gains	102,065	49,984
Closing Net Assets Balance	2,668,753	2,339,525
Total Liabilities and Net Assets Balance	\$ 19,295,365	\$ 18,946,986

Approved on behalf of the Board: 

Director



Director

The accompanying notes are an integral part of these financial statements.

**Atikokan General Hospital
Statement of Operations**

For the year ended March 31,	2021	2020
Revenue		
Ministry of Health Base Allocation	\$ 8,282,748	\$ 8,122,548
Ministry of Health One-Time Payments (Note 19)	1,059,614	71,340
Hospital On-Call Coverage	93,894	90,680
Visiting Specialist Funding	21,512	-
Other Revenue (Schedule 1)	1,518,644	1,460,838
Amortization of Equipment Grants/Donations	113,461	122,905
Provision for Recoveries	(63,939)	-
Total Revenue	11,025,934	9,868,311
Expenses		
Salaries and Wages (Schedule 2)	6,258,685	5,701,253
Employee Benefits (Schedule 3)	1,577,326	1,619,976
Employee Benefits Future Costs (Note 13)	(5,800)	(2,500)
Medical Staff Remuneration (Schedule 4)	134,662	233,388
Supplies and Other Expenses (Schedule 5)	1,875,313	1,797,900
Drugs and Medical Gases	63,395	61,276
Medical and Surgical Supplies	443,416	207,810
Bad Debts	8,864	2,113
Amortization of Software Licenses	68,324	-
Amortization of Equipment	250,258	308,014
Total Expenses	10,674,443	9,929,230
Surplus (Deficiency) of Revenue over Expenses from Hospital Operations	351,491	(60,919)
Other Items		
Amortization of Building Grants/Donations	411,295	392,402
Amortization of Land Improvements and Building	(484,810)	(473,373)
Loss on Disposal of Capital Asset	(829)	(1,445)
	(74,344)	(82,416)
Other Votes and Programs - Revenues (Schedule 6)	669,400	786,032
Other Votes and Programs - Expenses (Schedule 6)	(607,529)	(801,291)
Other Votes and Programs - Provisions for Recovery (Schedule 6)	(61,871)	-
	-	(15,259)
Surplus (Deficiency) of Revenue over Expenses for the Year	\$ 277,147	\$ (158,594)

The accompanying notes are an integral part of these financial statements.

Atikokan General Hospital
Statement of Remeasurement Gains

For the year ended March 31,	2021	2020
Accumulated remeasurement gains at the beginning of the year	\$ 49,984	\$ 93,154
Change in fair value attributable to:		
Investments	52,081	(43,170)
Accumulated remeasurement gains at the end of the year	<u>\$ 102,065</u>	<u>\$ 49,984</u>

The accompanying notes are an integral part of these financial statements.

Atikokan General Hospital
Statement of Changes in Net Assets

For the year ended March 31, 2021

	Invested in Capital Assets	Unrestricted	2021 Total
Balance, beginning of year	\$ 2,754,805	\$ (465,264)	\$ 2,289,541
Excess (deficiency) of revenue over expenses for the year	(279,465)	556,612	277,147
Net changes in investment in capital assets (Note 14)	(252,496)	252,496	-
Balance, end of year	<u>\$ 2,222,844</u>	<u>\$ 343,844</u>	<u>\$ 2,566,688</u>

For the year ended March 31, 2020

	Invested in Capital Assets	Unrestricted	2020 Total
Balance, beginning of year	\$ 2,570,265	\$ (122,130)	\$ 2,448,135
Excess (deficiency) of revenue over expenses for the year	(267,525)	108,931	(158,594)
Net changes in investment in capital assets (Note 14)	452,065	(452,065)	-
Balance, end of year	<u>\$ 2,754,805</u>	<u>\$ (465,264)</u>	<u>\$ 2,289,541</u>

The accompanying notes are an integral part of these financial statements.

Atikokan General Hospital
Statement of Cash Flows

For the year ended March 31,	2021	2020
Cash Provided By (Used In) Operating Activities		
Excess (Deficiency) of Revenue over Expenses for the year	\$ 277,147	\$ (158,594)
Items not involving cash		
Amortization	803,392	781,387
Amortization of Deferred Capital Contributions	(524,756)	(515,307)
Amortization of Capital Reserve Fund	-	(3,549)
Loss on disposal of assets	829	1,445
	556,612	105,382
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	(580,550)	374,206
Inventory	8,488	11,707
Prepaid Expenses	44,463	(15,613)
Accounts Payable	49,210	(247,980)
Other Liabilities	15,095	(30,180)
Deferred Contributions	-	4,000
Post-employment Benefits	(5,800)	(2,500)
	(469,094)	93,640
	87,518	199,022
Financing Activities		
Short-Term Borrowings	(330,000)	330,000
Investing Activities		
Decrease in Investments	618,665	123,837
Capital Activities		
Purchase of Capital Assets	(562,957)	(738,313)
Contributions Received for Capital Activities	814,601	285,248
Proceeds on disposal	852	1,000
Contribution of reserve fund	800	800
	253,296	(451,265)
Increase in Cash and Equivalents		
Cash, Beginning of year	343,505	141,911
Cash, End of year	\$ 972,984	\$ 343,505
Supplemental Disclosure		
Interest Received	\$ 46,138	\$ 6,271

The accompanying notes are an integral part of these financial statements.

March 31, 2021

1. Significant Accounting Policies

Nature and Purpose of Organization

Atikokan General Hospital ("the Hospital") provides health care services to the residents of the Municipality of Atikokan and surrounding areas. The Hospital, incorporated without share capital under the Corporations Act of Ontario, is a charitable organization within the meaning of the Income Tax Act and, as such, is exempt from Income Taxes under the Income Tax Act.

In addition to the Hospital's operating fund which reflects the activities of the day to day operations of the Hospital, the financial statements also include the activities of the following programs:

Ministry of Health

- Community Mental Health Program
- Community Addictions Program
- Community Problem Gambling Program
- Rent Supplement Program
- Case Management

The operating results of these programs are recorded in Schedule 6 to the financial statements and the assets and liabilities of these programs appear on the statement of financial position of the Hospital. Program surpluses and deficits are recorded as repayable or receivable in the year incurred and settlement adjustments by the Ministries or other funders are recorded when settled.

Basis of Accounting and Presentation

The financial statements of the Hospital have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board.

The Atikokan General Hospital Foundation is a separate entity whose financial information is reported separately from the Hospital.

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated useful life of an asset are capitalized.

Construction-in-progress is not amortized until construction is substantially complete and the assets are ready for use.

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

Land Improvements	10 years
Buildings	10 to 40 years
Building Service Equipment	10 years
Equipment	5 to 10 years
Information Systems Equipment	3 to 5 years

Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Hospital's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

March 31, 2021

1. Significant Accounting Policies (continued)

Revenue Recognition

The Hospital follows the deferral method of accounting for contributions, which include donations and government grants.

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with accountability arrangements established by the Ministry of Health ("MOH"), and the Local Health Integration Network ("LHIN"). The Hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2021 with the MOH and LHIN that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Hospital by the MOH/LHIN. The H-SAA also sets out the performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance in a number of areas.

If the Hospital does not meet its performance standards or obligations, the MOH/LHIN has the right to adjust funding received by the Hospital. The MOH/LHIN is not required to communicate certain funding adjustments until after the submission of year-end data. Since this data is not submitted until after the completion of the financial statements, the amount of MOH/LHIN funding received by the Hospital during the year may be increased or decreased subsequent to year-end.

Contributions approved but not received at year-end are accrued. Where a portion of a contribution relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions for the acquisition of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted investment income is recognized when earned. Restricted investment income is recognized in the year in which the related expenses are recognized.

Patient related revenues are recognized as revenue when services are rendered and the amount to be received can be reasonably estimated and collection is reasonably assured.

Recoveries are recognized as revenue when the amount of the recovery can be reasonably estimated and collection is reasonably assured.

Contributed Services

There are a substantial number of volunteers who contribute a significant amount of their time each year to Atikokan General Hospital. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include balances with a chartered bank and cash on hand. Cash subject to restrictions that prevent its use for current purposes is included in restricted.

Inventories

Inventories are stated at the lower of cost and net replacement value. Cost is determined on a First-In, First-Out basis. Inventories consist of medical and general supplies that are used in the Hospital's operations and not for resale purposes.

March 31, 2021

1. Significant Accounting Policies (continued)

Financial Instruments

The Hospital classifies its financial instruments as either fair value or amortized cost. The Hospital's accounting policy for each category is as follows:

Fair Value

This category includes cash and investments. Financial instruments in this category are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Amortized Cost

This category includes accounts receivable and accounts payable. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

Deferred Revenue

Deferred revenue is received from contributors who have restricted use of the funds for specific purposes. Recognition of these amounts as revenue is deferred to periods when the specific expenditures are made.

Retirement and Post-employment Benefits

The Hospital provides defined retirement and post-employment benefits to certain employee groups. These benefits include pension and health and dental. The Hospital has adopted the following policies with respect to accounting for these employee benefits:

- i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight-line basis. Plan amendments, including past service costs are recognized as an expense in the period of the plan amendment.
- ii) The costs of the multi-employer defined benefit pension plan are the employer's contributions due to the plan in the period.
- iii) The discount rate used in the determination of the above mentioned liabilities is equal to the Hospital's internal rate of borrowing.

March 31, 2021

1. Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Deferred contributions related to capital assets and capital asset amortization are based on the estimated useful lives of capital assets.

Employee future benefits are based on actuarial valuations.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

Long-lived Assets and Discontinued Operations

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies. When the Hospital determines that a long-lived asset no longer has any long-term service potential to the Hospital, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

2. Cash

The Hospital has an overall credit facility of \$400,000, including a revolving line of credit bearing interest at prime (2.45% at year-end), repayable on demand, and corporate Visas repayable on demand and in accordance with standard terms and conditions. As at March 31, 2021, \$Nil (2020 - \$330,000) has been drawn upon this operating line of credit.

3. Short-Term Investments

	2021	2020
High Interest Savings Account	\$ 799,407	\$ 70,109
Guaranteed Investment Certificates (GICs) with interest rates ranging from 0.4% to 2.65% and maturity dates from August 2021 to January 2022	415,226	1,244,045
	\$ 1,214,633	\$ 1,314,154

4. Accounts Receivable

	2021	2020
Ministry of Health	\$ 737,704	\$ -
Insurers and Patients	68,790	65,545
Community-Based Laboratory Services	87,647	170,000
Physician Incentive Loans	51,390	68,520
HST Rebate	161,256	212,784
Other	65,809	75,197
	\$ 1,172,596	\$ 592,046

**Atikokan General Hospital
Notes to Financial Statements**

March 31, 2021

5. Inventories	2021	2020
Opening Balance, April 1	\$ 169,449	\$ 181,156
Purchases	500,279	258,940
Expensed	(508,767)	(270,647)
Closing Balance, March 31	<u>\$ 160,961</u>	<u>\$ 169,449</u>

6. Long-Term Investments	2021	2020
Pooled and mutual funds (cost - \$142,127)	\$ 244,192	\$ 311,255
Guaranteed Investment Certificates (GIC) with interest rate of 2.65% and a maturity date of September 2021.	-	400,000
	<u>\$ 244,192</u>	<u>\$ 711,255</u>

7. Capital Assets	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 25,234	\$ -	\$ 25,234	\$ -
Land Improvements	316,966	213,256	312,750	192,237
Buildings	17,839,382	5,145,256	17,839,382	4,786,216
Building Service Equipment	1,947,735	757,104	1,728,919	652,353
Work-in-Progress	191,601	-	232,050	-
Equipment	4,211,510	3,136,879	4,054,490	3,043,814
Information Systems Equipment	326,038	326,038	261,557	257,714
	<u>\$ 24,858,466</u>	<u>\$ 9,578,533</u>	<u>\$ 24,454,382</u>	<u>\$ 8,932,334</u>
Net Book Value	<u>\$ 15,279,933</u>		<u>\$ 15,522,048</u>	

During the year, capital assets were acquired with an aggregate cost of \$562,957 (2020 - \$738,313) using provincial grant funding of \$354,608, donations of \$31,806 and operating cash of \$176,543.

8. Accounts Payable	2021	2020
Trade	\$ 476,859	\$ 484,518
Accrued Salaries and Benefits	728,876	724,694
Other	21,067	48,584
Ministry of Health		
Community Counselling Services	129,124	67,258
Visiting Specialist Program	61,512	40,000
Episode of Care	107,952	65,520
Hospital On Call Coverage	-	45,336
Other	31,800	32,070
	<u>\$ 1,557,190</u>	<u>\$ 1,507,980</u>

March 31, 2021

9. Deferred Contributions

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	2021	2020
Balance, beginning of year	\$ 1,103,591	\$ 1,099,591
Contributions received during the year	-	4,000
Amounts recognised as revenue	-	-
Balance, end of year	\$ 1,103,591	\$ 1,103,591

Deferred contributions are comprised of:

	2021	2020
General Donations	\$ 10,129	\$ 10,129
Deferred provincial grants	32,039	32,039
Rainycrest Long-Term Care	1,061,423	1,061,423
	\$ 1,103,591	\$ 1,103,591

10. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. Changes in the contributions capital deferred to future periods are as follows:

	2021	2020
Balance, beginning of year	\$ 12,767,243	\$ 12,997,302
Grants received during the year	814,601	285,248
Amortization	(524,755)	(515,307)
Balance, end of year	\$ 13,057,089	\$ 12,767,243

As at March 31, 2021 there was \$205,000 (2020 - \$205,000) of deferred capital contributions received which were not yet utilized.

11. Contingent Liabilities and Commitments

Atikokan General Hospital is a member of Health Care Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the public liability insurance risks of its members. All members of the pool pay annual premiums which are actuarially determined. All members are subject to reassessment for losses, if any, experienced by the pool for the years in which they are members and losses could be material. The Hospital joined HIROC in 1998 and no reassessments have been made to March 31, 2021.

The outcome of claims now pending is not determinable and is not expected to be material.

12. Economic Dependence

The Hospital receives the majority of its funding from the Ministry of Health and is therefore economically dependent on its government department.

March 31, 2021

13. Post-Employment Benefits Liability

The following tables outline the components of the Hospital's post-employment benefits and the related expenses.

	2021	2020
Accrued benefit obligation	\$ 644,200	\$ 576,100
Unamortized actuarial gain	213,900	287,800
Total Liability	\$ 858,100	\$ 863,900

	2021	2020
Current year benefits costs	\$ 35,600	\$ 36,900
Amortized actuarial gains	(23,100)	(20,100)
Interest on accrued benefit obligation	22,200	19,800
Reconciliation of plan funds (benefit payments)	(40,500)	(39,100)
	\$ (5,800)	\$ (2,500)

Above amounts exclude pension contributions to the Hospitals of Ontario Pension Plan ("HOOPP"), a multi-employer plan, described below.

Retirement Benefits

Substantially all of the full-time employees and some of the part-time employees are members of HOOPP. The plan is a multi-employer plan and therefore the Hospital's contributions are accounted for as if the plan were a defined contribution plan with the Hospital's contributions being expensed in the period they become due. Contributions made to the plan during the year by the Hospital amounted to \$520,607 (2020 - \$494,835).

Post-employment Benefits

The Hospital extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The Hospital recognizes these benefits as they are earned during the employee's tenure of service. The related benefit liability was determined by an actuarial valuation study.

The major assumptions employed for the valuations are as follows:

a) Discount Rate

The present value as at March 31, 2021 of the future benefits was determined using a discount rate of 3.0% (2020 - 3.75%).

b) Extended Health Care Trend Rates

Extended health care costs were assumed to increase at 7.0% per annum in 2020 and decrease by 0.25% per annum thereafter to an ultimate rate of 5.0%.

c) Dental Costs

Dental costs were assumed to increase at 4.0% per annum.

**Atikokan General Hospital
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14. Net Assets Invested in Capital Assets

a) Investment in capital assets is calculated as follows:

	2021	2020
Capital Assets	\$ 15,279,933	\$ 15,522,048
Amounts financed by Deferred Contributions	(13,057,089)	(12,767,243)
	\$ 2,222,844	\$ 2,754,805

b) The change in net assets invested in capital assets is calculated as follows:

	2021	2020
Excess (deficiency) of revenue over expenses:		
Amortization of Deferred Grants and Donations related to:		
Equipment/Software Licenses	\$ 113,461	\$ 122,905
Buildings	411,295	392,402
Amortization related to:		
Equipment/Software Licenses	(318,582)	(308,014)
Buildings	(484,810)	(473,373)
Loss on Disposal of Capital Assets	(829)	(1,445)
	\$ (279,465)	\$ (267,525)

Net change in investment in capital assets:

	2021	2020
Purchase of Capital Assets	\$ 562,957	\$ 738,313
Amounts funded by Deferred Grants and Donations	(814,601)	(285,248)
Proceeds of Capital Asset Disposal	(852)	(1,000)
	\$ (252,496)	\$ 452,065
	\$ (531,961)	\$ 184,540

15. Related Entity

Atikokan General Hospital Foundation (the "Foundation") is an independent corporation incorporated without share capital which has its own independent Board of Directors and is a registered charity under the Income Tax Act. The Foundation receives and maintains funds for charitable purposes, which it donates to the Hospital for use in operations, renovations, maintenance and equipment purchases of the Hospital.

The Foundation holds funds of approximately \$473,311, the benefit of which is to be used for capital projects or capital asset purchases of the Hospital. During the year, the Foundation contributed \$31,806 to the Hospital.

16. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2021		
	Fair Value	Amortized Cost	Total
Cash	\$ 972,984	\$ -	\$ 972,984
Accounts Receivable	-	1,172,596	1,172,596
Investments	1,458,825	-	1,458,825
Accounts Payable	-	(1,557,190)	(1,557,190)
Other Liabilities	-	(20,000)	(20,000)
	\$ 2,431,809	\$ (404,594)	\$ 2,027,215

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Notes to Financial Statements

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16. Financial Instrument Classification (continued)

	2020		
	Fair Value	Amortized Cost	Total
Cash	\$ 343,505	\$ -	\$ 343,505
Accounts Receivable	-	592,046	592,046
Investments	2,025,409	-	2,025,409
Bank Loan	330,000	-	330,000
Accounts Payable	-	(1,507,980)	(1,507,980)
Other Liabilities	-	(4,905)	(4,905)
	<u>\$ 2,698,914</u>	<u>\$ (920,839)</u>	<u>\$ 1,778,075</u>

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2021			
	Level 1	Level 2	Level 3	Total
Cash	\$ 972,984	\$ -	\$ -	\$ 972,984
Investments	244,192	1,214,633	-	1,458,825
Total	\$ 1,217,176	\$ 1,214,633	\$ -	\$ 2,431,809

	2020			
	Level 1	Level 2	Level 3	Total
Cash	\$ 343,505	\$ -	\$ -	\$ 343,505
Investments	311,255	1,714,154	-	2,025,409
Total	<u>\$ 654,760</u>	<u>\$ 1,714,154</u>	<u>\$ -</u>	<u>\$ 2,368,914</u>

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2021 and 2020. There were also no transfers in or out of Level 3.

March 31, 2021

17. Financial Instrument Risk

Credit Risk

Credit risk is the risk of financial loss to the Hospital if a debtor fails to make payments of interest and principal when due. The Hospital is exposed to this risk relating to its cash, debt holdings in its investment portfolio and accounts receivable. The Hospital holds its cash accounts with a federally regulated chartered bank which is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Hospital's cash accounts are insured up to \$100,000.

The Hospital's investment policy operates within the constraints of the investment guidelines issued by the MOH in relation to the funding agreements and puts limits on the investment portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure.

The maximum exposure to investment credit risk is outlined in Notes 4 and 16.

Accounts receivable are primarily due from OHIP, the Ministry of Health and patients. Credit risk is mitigated by the financial solvency of the provincial government and the highly diversified nature of the patient population.

The Hospital measures its exposure to credit risk based on how long the amounts have been outstanding. Accounts received that are not considered to be collectible are written off at year-end based on the Hospital's historical experience regarding collections. The amounts outstanding at year-end were as follows:

	2021		Past Due			
	Total	Current	1-30	31-60	61-90	91 +
MOH/LHIN	\$ 737,704	\$ 737,704	\$ -	\$ -	\$ -	\$ -
Insurers and Patients	68,790	-	57,959	8,471	635	1,725
Other	366,102	121,116	43,904	38,415	10,000	152,667
	<u>\$ 1,172,596</u>	<u>\$ 858,820</u>	<u>\$ 101,863</u>	<u>\$ 46,886</u>	<u>\$ 10,635</u>	<u>\$ 154,392</u>

	2020		Past Due			
	Total	Current	1-30	31-60	61-90	91 +
MOH/LHIN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurers and Patients	65,545	-	58,467	5,668	90	1,320
Other	526,501	254,125	32,046	31,810	-	208,520
	<u>\$ 592,046</u>	<u>\$ 254,125</u>	<u>\$ 90,513</u>	<u>\$ 37,478</u>	<u>\$ 90</u>	<u>\$ 209,840</u>

The amounts aged greater than 90 days owing from patients that have not had a corresponding impairment allowance setup against them are collectible based on the Hospital's past experience. Management has reviewed the individual balances and based on the credit quality of the debtors and their past history of payment. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk. The Hospital is not exposed to significant currency risk as it does not transact materially in foreign currency. The Hospital is exposed to equity risks with regards to its investments in pooled and mutual funds and interest risk with its investments in bonds.

March 31, 2021

17. Financial Instrument Risk (continued)

Market Risk (continued)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Hospital is exposed to this risk through its interest bearing investments included in long-term investments.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity Risk

Liquidity risk is the risk that the Hospital will not be able to meet all cash outflow obligations as they come due. The Hospital mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The follow table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

	2021			
	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Accounts payable	\$ 1,557,190	\$ -	\$ -	\$ -

	2020			
	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Accounts payable	\$ 1,507,980	\$ -	\$ -	\$ -

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

18. COVID-19 Impacts

In response to COVID-19 and consistent with guidance provided by the MOH and other government agencies, the Hospital has implemented a number of measures to protect patients and staff from COVID-19. In addition, the Hospital has actively contributed towards the care of COVID-19 patients and the delivery of programs that protect public health.

The Hospital continues to respond to the pandemic and plans for continued operational and financial impacts during the 2022 fiscal year and beyond. Management has assessed the impact of COVID-19 and believes there are no significant financial issues that compromise its ongoing operations. The outcome and timeframe to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its effect on future operations at this time.

March 31, 2021

19. Ministry of Health Pandemic Funding

In connection with the ongoing coronavirus pandemic (COVID-19), the MOH has announced a number of funding programs intended to assist hospitals with incremental operating and capital costs and revenue decreases resulting from COVID-19. In addition to these funding programs, the MOH is also permitting hospitals to redirect unused funding from certain programs towards COVID-19 costs, revenue losses and other budgetary pressures through a broad-based funding reconciliation.

While the MOH has provided guidance with respect to the maximum amount of funding potentially available to the Hospital, as well as criteria for eligibility and revenue recognition, this guidance continues to evolve and is subject to revision and clarification subsequent to the time of approval of these financial statements. The MOH has also indicated that all funding related to COVID-19 is subject to review and reconciliation, with the potential for adjustments during the subsequent fiscal year.

Management's estimate of MOH revenue for COVID-19 is based on the most recent guidance provided by MOH and the impacts of COVID-19 on the Hospital's operations, revenues and expenses. As a result of Management's estimation process, the Hospital has determined a range of reasonably possible amounts that are considered by Management to be realistic, supportable and consistent with the guidance provided by the MOH. However, given the potential for future changes to funding programs that could be announced by the MOH, the Hospital has recognized revenue related to COVID-19 based on the lower end of the range. Any adjustments to Management's estimate of MOH revenues will be reflected in the Hospital's financial statements in the year of settlement.

Details of the MOH funding for COVID-19 recognized as revenue in the current year are summarized below:

	2021
Funding for incremental COVID-19 operating expenses	\$ 531,439
COVID-19 assessment centre funding	197,615
Pandemic pay funding	241,639
Other pandemic funding	79,721
Funding for revenue losses resulting from COVID-19	9,200
	\$ 1,059,614

Details of MOH funding for COVID-19 recognized as revenue with Other Votes and Programs in the current year are summarized below:

Mental health & addictions	\$ 10,000
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In addition to the above, the Hospital has also recognized \$150,165 in MOH funding for COVID-19 related capital expenditures, which has been recorded as an addition to deferred capital contributions during the year.

March 31, 2021

20. Correction of an error

Subsequent to the release of the March 31, 2021 financial statements with an audit report date of June 23, 2021, it was determined that the amount recoverable by the Ministry of Health included in accounts payable was overstated by \$79,492. As a result, the previously issued financial statements were recalled and reissued with a new audit report date of August 25, 2021. The impact of the restatement in the March 31, 2021 financial statements is a decrease in accounts payable of \$79,492, a decrease in other votes and programs - provisions for recovery of \$79,492 and an increase in unrestricted net assets of \$79,492.

Atikokan General Hospital
Schedule 1 - Other Revenue
(Unaudited)

For the year ended March 31,	2021	2020
Inpatient Revenue		
Non-Residents of Canada	\$ -	\$ 5,875
Outpatient Revenue		
Ontario Health Insurance Plan	\$ 113,120	\$ 107,708
Non-Residents of the Province and Canada	73,836	45,234
Workplace Safety & Insurance Board	13,133	8,939
Ambulance	7,860	6,410
	<u>\$ 207,949</u>	<u>\$ 168,291</u>
Co-Payment Revenue		
ALC Patients	\$ 68,739	\$ 63,471
Extended Care Patients	537,449	526,594
	<u>\$ 606,188</u>	<u>\$ 590,065</u>
Differential Revenue		
Acute Care Patients	\$ 21,096	\$ 15,020
Extended Care Patients	49,351	42,979
	<u>\$ 70,447</u>	<u>\$ 57,999</u>
Recoveries		
Non-Patient Food Services	\$ 33,067	\$ 32,801
CCAC Recoveries	15,770	15,393
Compensation and Services	453,339	440,633
Donations	-	400
Municipal Government	20,000	35,000
Materials	28,467	15,242
Rentals	-	5,770
Miscellaneous	83,417	93,369
	<u>\$ 634,060</u>	<u>\$ 638,608</u>
Total Other Revenue	<u>\$ 1,518,644</u>	<u>\$ 1,460,838</u>

Atikokan General Hospital
Schedule 2 - Salaries and Wages
(Unaudited)

For the year ended March 31,	2021	2020
Patient Care		
Inpatient Wards	\$ 1,339,148	\$ 1,278,169
Extended Care	953,826	982,830
Diabetes Education	15,691	15,516
Ambulatory Care	729,947	532,161
Laboratory	347,919	344,845
Diagnostic Imaging	192,709	181,901
Pharmacy	67,804	67,353
Clinical Nutrition	61,276	57,377
Therapeutic Services	281,511	269,569
Total Patient Care	\$ 3,989,831	\$ 3,729,721
Support Services		
General Administration	\$ 812,111	\$ 647,987
Information System Support	38,254	36,822
Human Resources and Recruitment	30,419	43,088
Physical Plant	220,891	222,727
Environmental Services	437,586	362,603
Food Services	394,802	384,430
Patient Information	147,822	150,694
Marketed Services	48,796	11,098
Materials Management and Reprocessing	138,173	112,083
Total Support Services	\$ 2,268,854	\$ 1,971,532
Total Salaries and Wages	\$ 6,258,685	\$ 5,701,253

Atikokan General Hospital
Schedule 3 - Employee Benefits
(Unaudited)

For the year ended March 31,	2021	2020
Canada Pension Plan	\$ 256,348	\$ 232,301
Hospital Pension Plan	483,075	454,595
Employment Insurance	97,879	94,753
Workplace Safety & Insurance Board	73,967	83,757
Long-Term Disability Insurance	86,102	79,678
Employer Health Tax	121,742	113,789
Extended Health Care Insurance	106,192	111,269
Dental Insurance	74,461	76,923
Group Life and Accidental Death & Dismemberment	23,314	23,478
Termination Benefits	82,482	183,464
Benefit and Vacation % in Lieu	171,764	165,969
Total Employee Benefits	\$ 1,577,326	\$ 1,619,976

Atikokan General Hospital
Schedule 4 - Medical Staff Remuneration
(Unaudited)

For the year ended March 31,	2021	2020
Honorariums	\$ 25,276	\$ 25,000
Hospital On Call Coverage	48,558	136,016
Clinical Laboratory	18,357	21,136
Imaging	42,471	51,236
Total Medical Staff Remuneration	\$ 134,662	\$ 233,388

Atikokan General Hospital
Schedule 5 - Supplies and Other Expenses
(Unaudited)

For the year ended March 31,	2021	2020
Patient Care		
Inpatient Wards	\$ 68,258	\$ 85,083
Extended Care	127,721	113,167
Diabetes Education	4,477	10,000
Ambulatory Care	35,188	40,790
Laboratory	142,668	141,076
Diagnostic Imaging	77,559	87,946
Pharmacy	14,925	10,844
Clinical Nutrition	920	1,873
Therapeutic Services	26,961	17,432
Total Patient Care	\$ 498,677	\$ 508,211
Support Services		
General Administration	\$ 307,709	\$ 320,748
Information System Support	243,816	238,594
Human Resources and Recruitment	3,900	59,335
Physical Plant	436,638	363,059
Environmental Services	56,059	52,043
Food Services	151,906	163,516
Patient Information	2,695	3,595
Health System Development	144,538	17,275
Marketed Services	18,406	59,474
Materials Management	10,969	12,050
Total Support Services	\$ 1,376,636	\$ 1,289,689
Total Supplies and Other Expenses	\$ 1,875,313	\$ 1,797,900

Atikokan General Hospital
Schedule 6 - Other Votes and Programs
(Unaudited)

	Substance Abuse	Problem Gambling	Community Mental Health Program	Administration	Rent Supplement	Municipal Taxes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue								
MOH/LHIN Funding	\$ 69,421	\$ 92,963	\$ 477,407	\$ -	\$ 11,772	\$ 3,075	\$ 654,638	\$ 750,062
MOH/LHIN One-Time Funding	-	-	10,000	-	-	-	10,000	15,000
Other Revenue and Recoveries	-	-	4,762	-	-	-	4,762	20,970
Total Revenue	\$ 69,421	\$ 92,963	\$ 492,169	\$ -	\$ 11,772	\$ 3,075	\$ 669,400	\$ 786,032
Operating Expenses								
Salaries and Wages	\$ 53,542	\$ 42,668	\$ 227,803	\$ 96,398	\$ -	\$ -	\$ 420,411	\$ 442,649
Employee Benefits	11,231	10,465	54,774	25,391	-	-	101,861	112,269
Purchased Services	-	-	-	-	-	-	-	71,150
Medical Staff Remuneration	-	-	4,985	-	-	-	4,985	23,770
Supplies and Other Expenses	640	-	13,823	24,674	8,072	-	47,209	141,231
Buildings & Grounds	-	-	6,210	23,778	-	3,075	33,063	10,222
Total Operating Expenses	\$ 65,413	\$ 53,133	\$ 307,595	\$ 170,241	\$ 8,072	\$ 3,075	\$ 607,529	\$ 801,291
Net Revenue (Expense)	\$ 4,008	\$ 39,830	\$ 184,574	\$ (170,241)	\$ 3,700	\$ -	\$ 61,871	\$ (15,259)
Administration Allocation	(4,008)	(25,536)	(140,697)	170,241	-	-	-	-
Net Revenue (Expense) Before Amount Repayable	-	14,294	43,877	-	3,700	-	61,871	(15,259)
Amount Repayable to Ministry of Health	-	(14,294)	(43,877)	-	(3,700)	-	(61,871)	-
Net Revenue (Expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,259)

Atikokan General Hospital
Schedule 7 - Diabetes Education Program
(Unaudited)

For the year ended March 31,	2021	2020
Revenue		
Ministry of Health Base Allocation	\$ 22,454	\$ 31,375
Operating Expenses		
Salaries and Wages	\$ 15,691	\$ 15,516
Employee Benefits	3,769	3,534
Supplies and Other Expenses	4,477	10,000
Total Operating Expenses	\$ 23,937	\$ 29,050
Net Revenue (Expense)	\$ (1,483)	\$ 2,325